



***COMNAVRESFOR***  
***Financial***  
***Management(N00F)***  
***Overview***

**Presentation to Staff Action Officer  
Course**

**18 August 1999**



# Overview

- **Comptroller Organization**
- **PPBS**
- **Budget Basics**
- **COMNAVRESFOR Appropriations**
- **O&M, NR Overview**
- **RPN Overview**
- **HQ Budget**
- **Funding request routing**
- **Wrap-up**



# COMNAVRESFOR COMPTROLLER

- **MISSION -**

- Serves as the principal financial advisor to the commander

- **FUNCTIONS -**

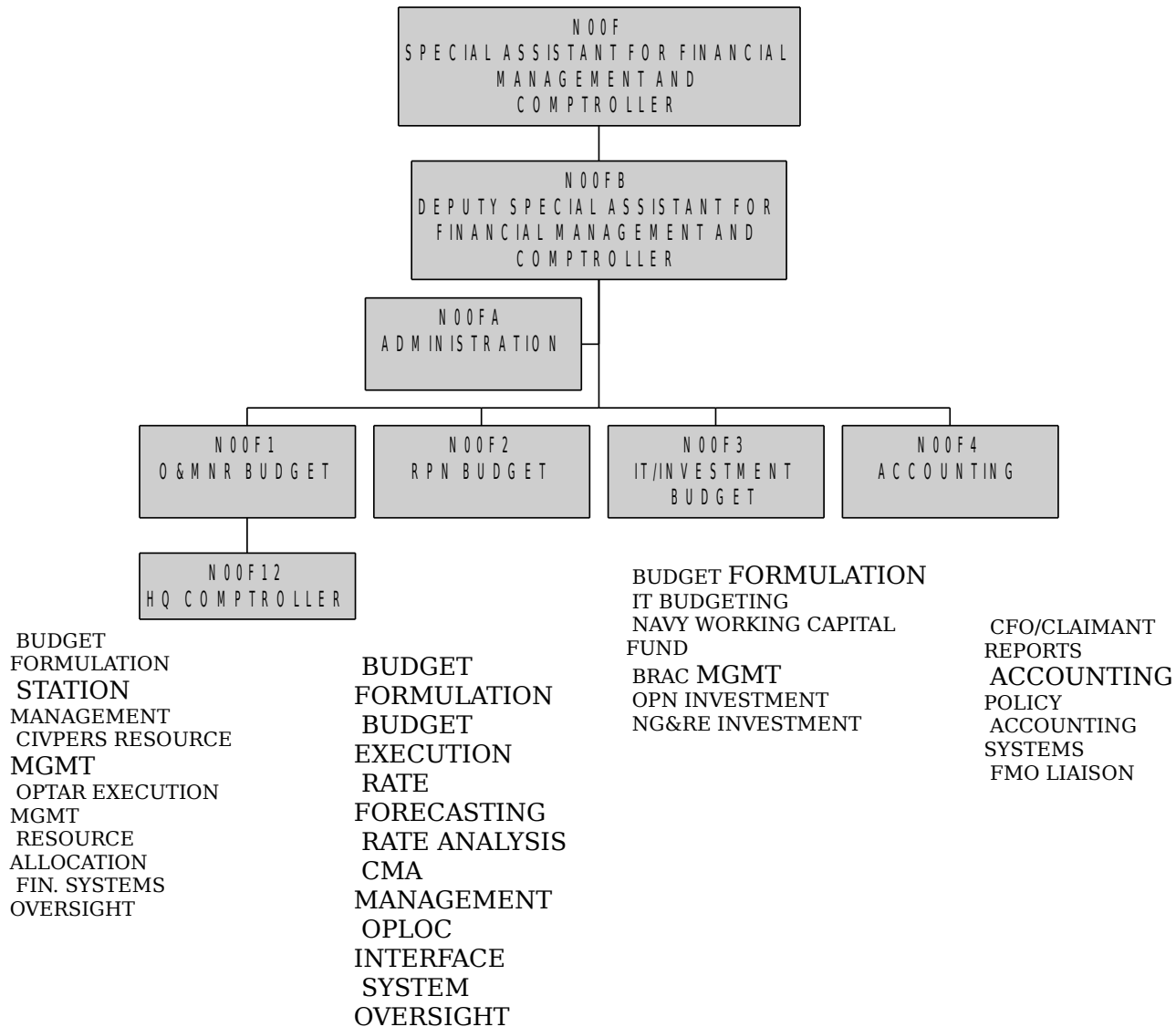
- Responsible for 31 U.S. Code 1301(a) and Anti-deficiency Act reviews
  - Directs and coordinates preparation of all CNRF budgets
  - Develops and implements financial policy, procedures, and systems
  - Reviews and oversees force financial status
  - Oversees cost estimation and analysis



# Force Comptroller (N00F)

- DCOS - **Mr. David J. Saltich**
- Deputy - **CDR Kathy Moore**
- O&MNR Budget Officer - **CDR Fran Hall**
- RPN Budget Officer - **Ms. Debra Fisher**
- HDQTRS Budget Officer - **Ms. Trudy McLaughlin**
- IT/Investment Budget Officer - **LCDR Andy DiPuccio**

# NOOF ORGANIZATION AND DUTIES





# ***PPBS - a Phased Process***

- **Planning - *establish broad DoD/DoN objectives***
  - threat assessment
  - policy and strategy guidance to meet threats
  - force planning guidance to accomplish strategies
  - resource planning guidance to buy force levels
  - fiscal guidance - the reality.



**IWAR/CPAM**

- **Programming - *balance resources to optimize objectives***
  - specific force level guidance
  - initial allocation of resources and program proposals
  - “End Game” - affording \$100 of program on a \$90 budget.



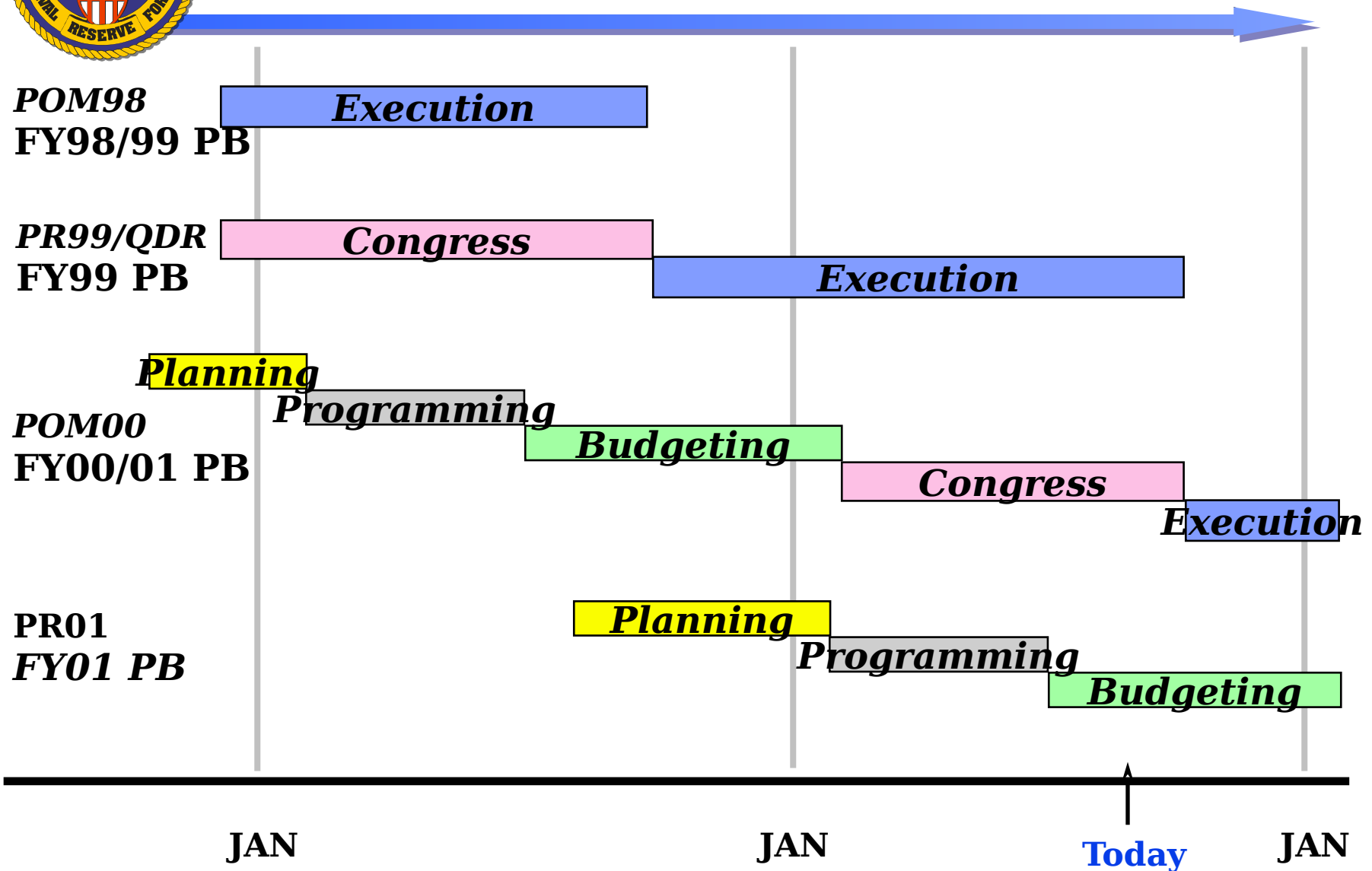
- **Budgeting - *convert resource requirements to budget display***
  - scrub pricing and executability
  - develop “bullet-proof” justification.



**BES**



# ***PPBS: It keeps going ... and going ...***





# ***Resource Sponsor (PPBS)***



**N095 is not one!**

- **Deputy CNO, Assistant CNO or Director, Major Staff Office responsible for**
  - **identifiable aggregation of resources ...**  
**... that constitute a task area.**

**Manpower & Personnel N1**

**Intelligence N2**

**Logistics N4**

**Space & Electronic Warfare N6**

**Training**

**Requirements, Resources & Assessment N8**

- **Expeditionary Warfare N85**

- **Surface Warfare N86**

- **Undersea Warfare N87**

- **Air Warfare N88**

**R& D N091**

**Medical N093**

**Oceanography**

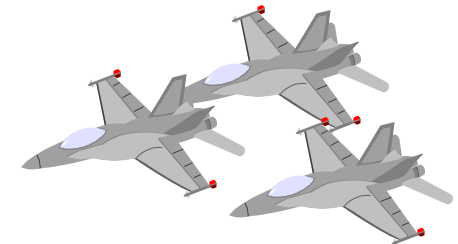
**N096**

**AVCNO/Admin**

**N09B**



**N7**







# Assessment Sponsor (PPBS)



- **DCNO, ACNO or DMSO**

- **Pre-POM:** identify programming actions needed to ensure capabilities
- **Post-POM:** determine extent of accomplishment by resource sponsors

*... for common functions spanning multiple resource sponsors.*

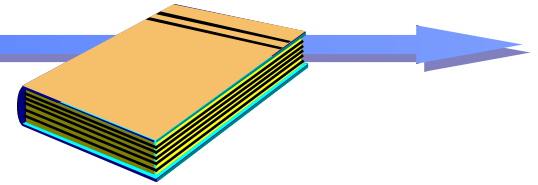
<b>Manpower &amp; Personnel</b>	<b>N1</b>
<b>Ship Maintenance/ Modernization</b>	<b>N4</b>
<b>Logistics/Facilities</b>	<b>N4</b>
<b>Communications</b>	<b>N6</b>
<b>Training</b>	<b>N7</b>
<b>R &amp; D</b>	<b>N091</b>
<b>Naval Reserve</b>	

**N095**

**... each is also a resource sponsor, *except N095*.**



# ***Appropriation Sponsor (PPBS)***



- **DCNO, ACNO or DMSO**

- supervisory control over an appropriation
- submits and defends budget documents to Navy Comptroller
- responsible to CNO for execution (“silent E” in PPBS)

<b>Military Personnel</b>	<b>(MPN)</b>	<b>N1</b>	
<b>Military Construction</b>	<b>(MCON)</b>	<b>N4</b>	
<b>Other Procurement</b>	<b>(OPN)</b>	<b>N82</b>	
<b>Operation &amp; Maintenance</b>	<b>(OMN)</b>		<b>N82</b>
<b>Shipbuilding &amp; Conversion, Navy</b>	<b>(SCN)</b>	<b>N86</b>	
<b>Weapons Procurement</b>	<b>(WPN)</b>	<b>N86</b>	
<b>Aircraft Procurement</b>	<b>(APN)</b>	<b>N88</b>	
<b>Research &amp; Development</b>	<b>(RDTE)</b>		<b>N091</b>
<b>MilCon, Navy Reserve</b>	<b>(MCNR)</b>	<b>N095</b>	
<b>O &amp; M, Navy Reserve</b>	<b>(OMNR)</b>	<b>N095</b>	
<b>Reserve Personnel, Navy</b>	<b>(RPN)</b>	<b>N095</b>	





# Budget Claimant (PPBS)



- Echelon II activity

- informs Resource Sponsors of program requirements for POM
- prepares budget and submits to appropriation sponsor
- receives operating budget and executes funding.

... one or more appropriations.

- Examples

- Bureau of Personnel MPN, RPN, O&MN/NR, MCON
- CINC, Lant/Pac Fleets O&MN/NR, MilCon,
- ~~Naval Sea Systems Command~~ ~~O&MN/NR~~, SCN, OPN
- Military Sealift Command O&MN
- Commander, Naval Reserve Force RPN, OMNR, MCNR



# What is a Budget?

- **A budget is:**
  - **A plan for accomplishing an organization's objectives**
  - **An instrument of planning, decision making, and financial management control**
  - **A statement of priorities and fiscal policy**



# Why do we need a budget?

- **A series of laws provides the legal requirement for the Federal budget.**
- **The DON budget serves as a control mechanism to ensure that financial resources are used as approved by Congress.**



# ***Alternative Role of a Budget***

- **A channel of co-ordination.**
- **A motivational device.**
- **A basis for decision making.**
- **A means to measure performance.**



# ***How do we receive funding?***

- **Congress approves funding in the form of appropriations.**
- **An appropriation is:**
  - **A statute that provides the authority for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes.**



# ***With funding comes responsibility! Appropriation Law***

- **Title Code 31 U.S.C. 1301**
  - Purpose Statute
- **Title Code 31 U.S.C. 1517**
  - Anti-Deficiency Act
- **Title Code 31 U.S.C. 1519**
  - Criminal Penalty





## ***31 U.S. CODE 1301(a)***

- **Requires that appropriated funds only be used for programs and purposes for which the appropriation is made**
  - **Limitations may be established for specific purpose**
    - **Maximum**
    - **Minimum**
- **No administrative or criminal penalties when violation occurs**
- **Correction of violation may cause 31 U.S. Code 1517 violation**



# ***Anti-deficiency Act*** ***31 U.S. Code 1517***

- **Prohibits agent from making or authorizing an obligation in excess of funding available**
- **Requires head of agency to issue regulations establishing an administrative control system**
- **Forbids the involvement of the government in any contract or obligation to pay money in advance of appropriation**
- **Violation subject to discipline**
  - **Suspension to removal**
  - **Subject to \$5K fine - 2 year imprisonment**
  - **Reported to Congress and President**



# Navy Appropriations

<u>Appropriation</u>	<u>Purpose</u>	<u>Claimants</u>
Research, Development, Test and Evaluation, Navy (RDT&E,N)	Basic research, exploratory and advanced development	SY SCOMS, ONR
Shipbuilding and Conversion, Navy (SCN)	Ship construction and conversion	NAVSEA
Aircraft Procurement, Navy (APN)	Aircraft procurement and support programs	NAVAIR
Other Procurement, Navy (OPN)	Procurement not funded by other appropriations	Various
Weapons Procurement, Navy (WPN)	Air and ship-launched weapons	SY SCOMS



# Navy Appropriations (cont'd)

<u>Appropriation</u>	<u>Purpose</u>	<u>Claimants</u>
Operations & Maintenance, Navy (O&M,N)	Steaming hrs, flight ops, BOS, RPM, supplies, civpay	Various
Operations & Maintenance, Navy Reserve (O&M,NR)	Steaming hrs, flight ops, BOS, RPM, supplies, civpay	Various
Military Personnel, Navy (MPN)	Pay, allowances, clothing, subsistence, training	NMPC
Reserve Personnel, Navy (RPN)	Pay, allowances, clothing, subsistence, training	Various



# Navy Appropriations (cont'd)

<u>Appropriation</u>	<u>Purpose</u>	<u>Claimant</u>
Military Construction, Navy (MCN)	Construction, land acquisition, major maintenance of real property	NAVFAC
Military Construction, Navy Reserve (MCNR)	Construction, land acquisition, major maintenance of real property	NAVFAC
Family Housing, Navy (FHN)	Housing construction, improvement and maintenance	NAVFAC



# ***Budget Activities***

- **Appropriations are divided into smaller accounts called Budget Activities (BA)**
- **Budget Activities classify in greater detail the specific functions contained in the budget**
- **Reprogramming >\$10M between Budget Activities requires Congressional approval.**
- **Funds authorized by Budget Activity (or subhead) are subject to 31 USC 1517**



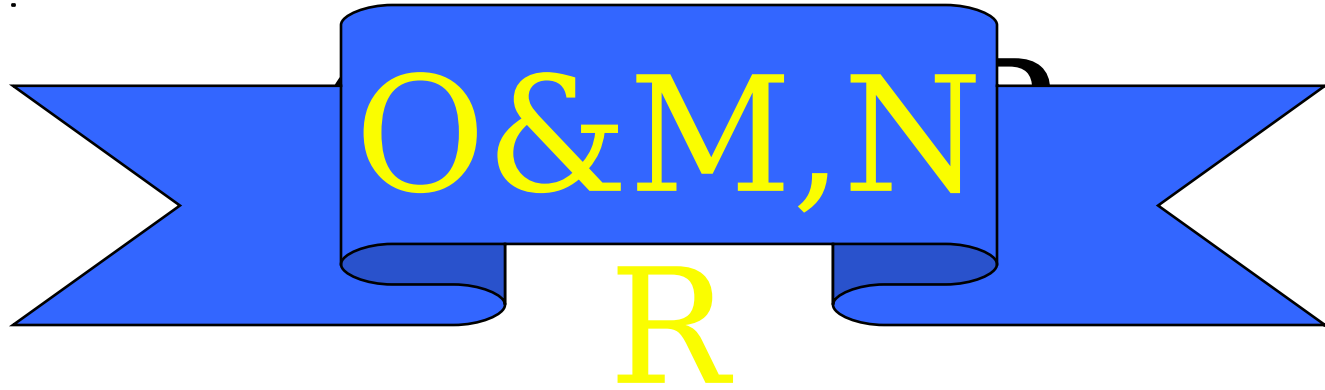
# COMNAVRESFOR Budget Activities (BA)

## •RPN

- BA-1 Unit and Individual Training,
  - AT, IDT, IDTT, Clothing, Subsistence
- BA-2 Other Training and Support
  - ADT, MOBTRA, Incentives

## •O&M,NR

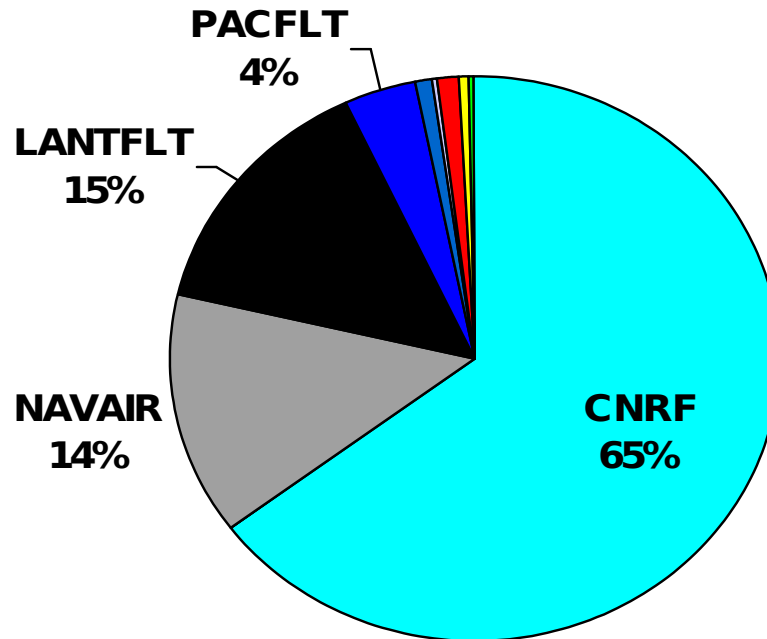
- BA-1 Mission Forces
  - Flight HR program, Surface Mission Forces, BOS, Contract Berthing, Organizational Clothing, RPM, Environmental
- BA-4 Admin & Service-wide support
  - Hdqtrs, Recruiting Advertising, IT, Intelligence pgm, HRO



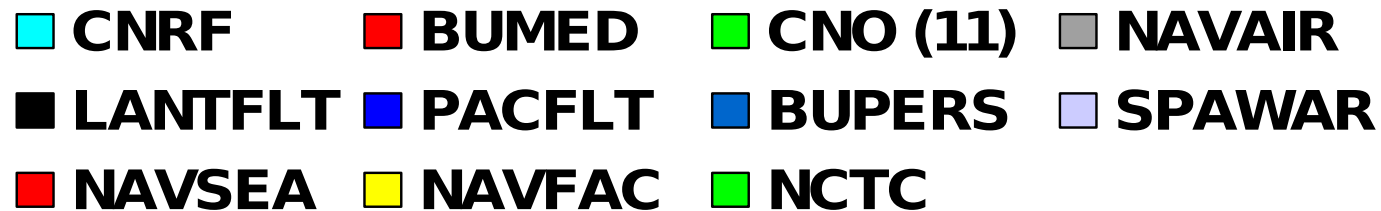




# Total Navy O&M,NR Overview



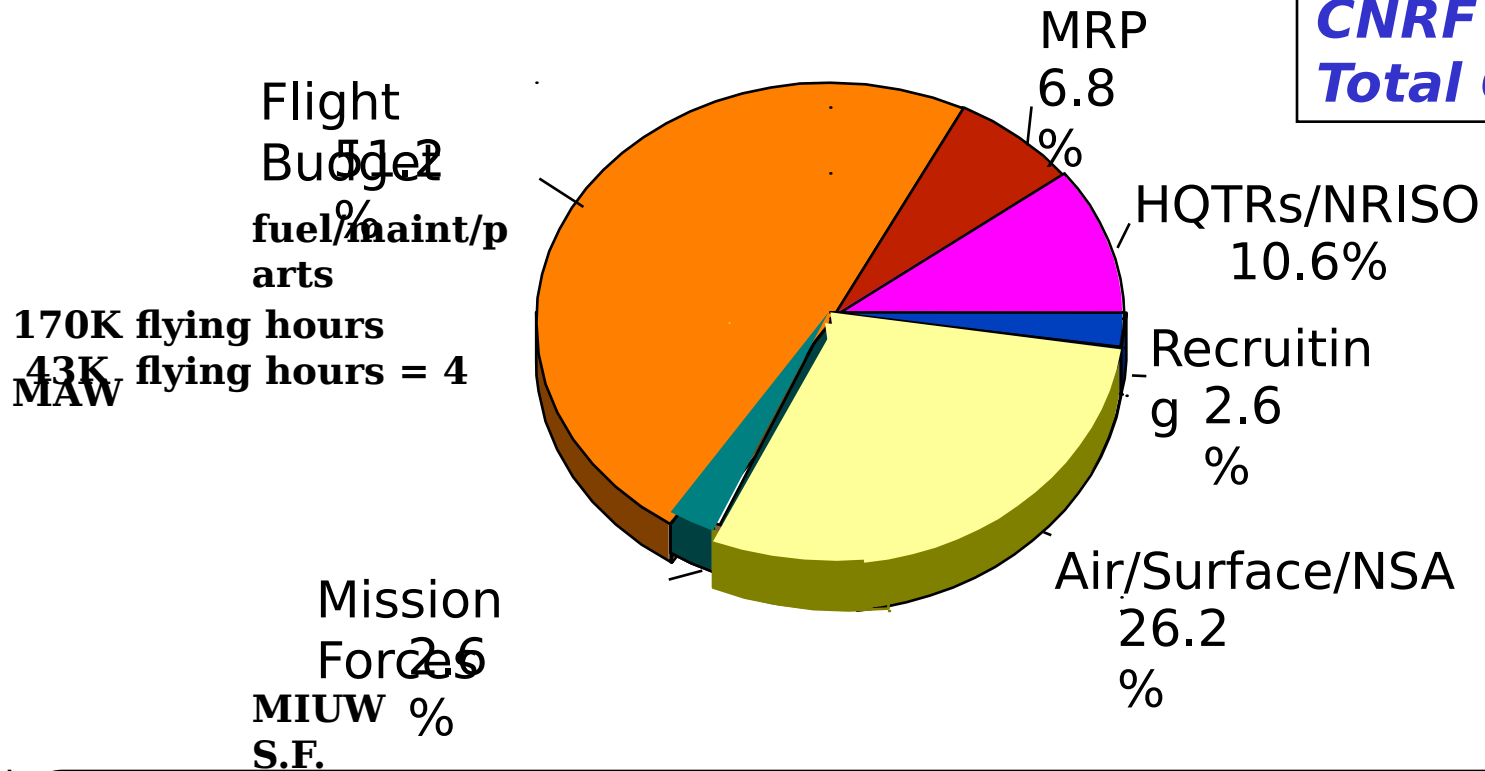
**O&M,NR Navy Budget  
FY99 - \$967M**





# FY 1999 O&M, NR Budget (\$626M)

**CNRF = 65% of Total O&MNR**



**HQTRs/NRISO**

**MRP**

**Flight**

**Air/Surface/N**

**Recruiting**

**Budget**

**SA**

**Mission Forces**



# ***What Does CNRF's O&M,NR \$\$\$ Pay For?***

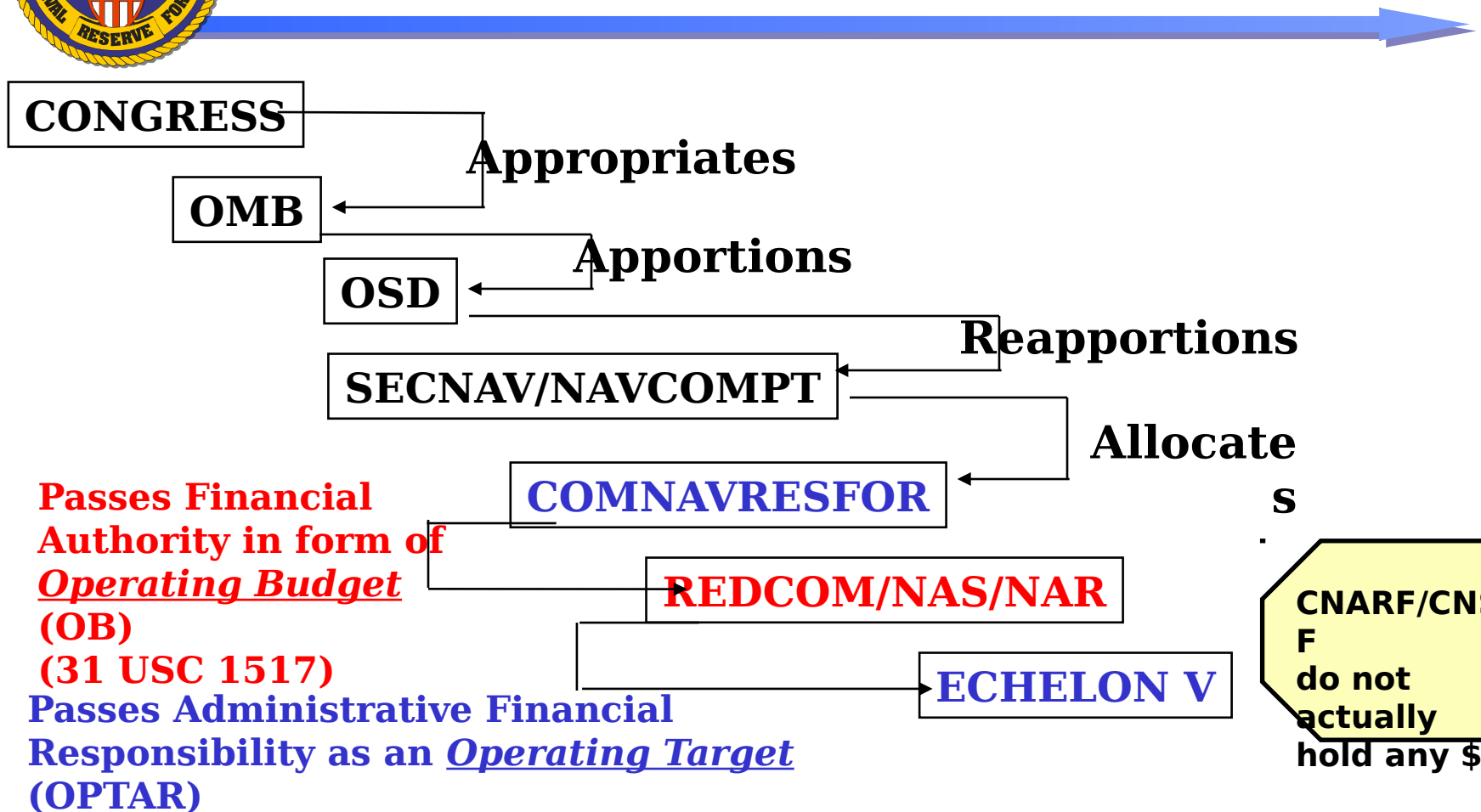
- Flying Hour Program
- Surface Mission Forces/Training
- Security/Intelligence Programs
- Maintenance of Real Property/Environmental
- IT
- Recruiting & Advertising
- Management Headquarters
- Base Support

MWR, Child Care, Family Service Centers, BQ Operations  
Physicals (SELRES, Accessions)  
Contract Berthing  
Organizational Clothing  
DFAS Accounting Services

[\*COMNAVRESFOR does not fund Steaming Hours (Fleet CINCs),  
Ship (Fleet CINCs), or Aircraft Depot Maintenance (NAVAIR)]



# O&MNR - Flow of Funds







# RPN Overview

## RPN Appropriation FY99 (\$1.4B)

**CNRF - SELRES  
only**

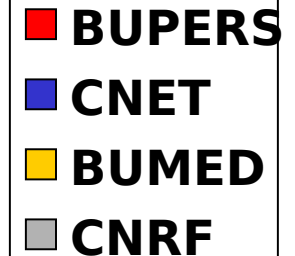
**CNRF  
\$647.4M (44.9%)**

**BUMED \$22.4  
(1.6%)**

**-- Medical  
Students  
(AFHPSP)**

**CNET \$21.2 (1.5%)  
-- NROTC**

**BUPERS  
\$750.1M (52.1%)**

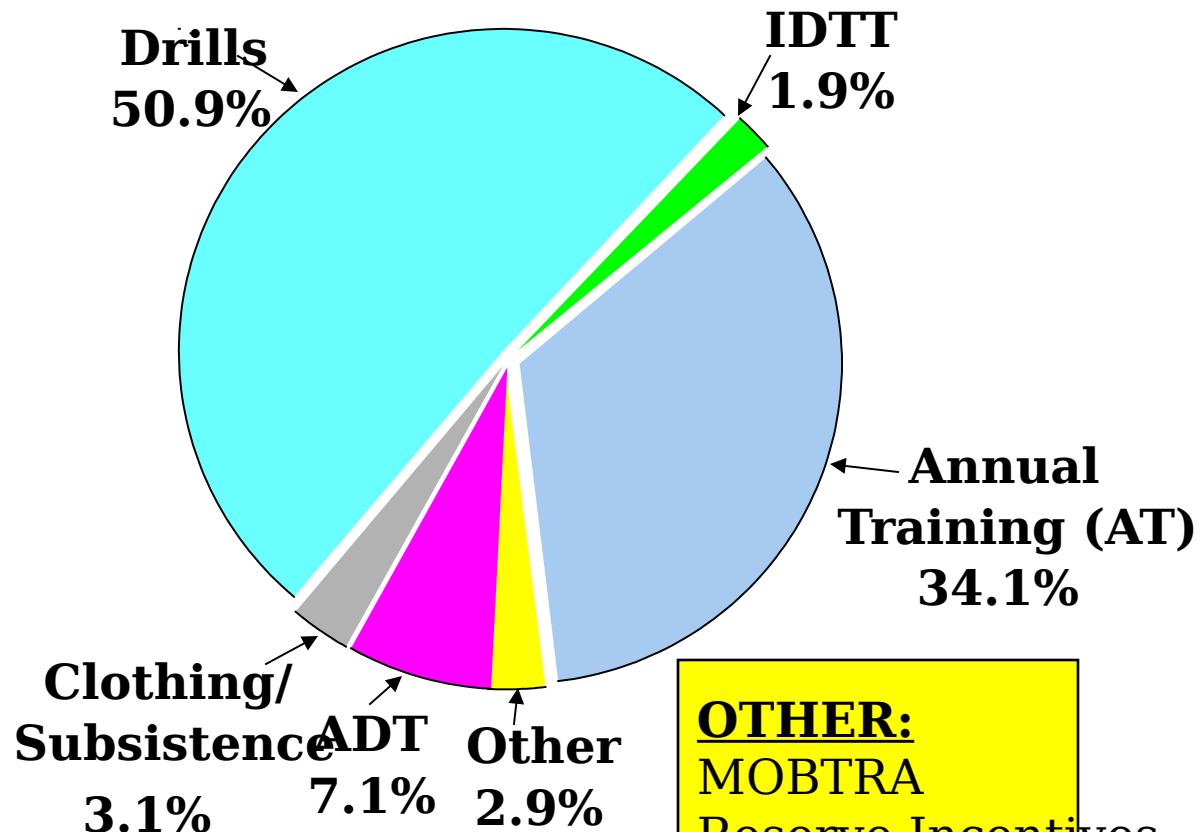


**BUPERS -- TARs  
only  
- Pay &  
Allowances,  
- Bonuses, PCS**



# FY 1999 RPN Budget (\$647.4M)

CNRF=44.  
9% of Total  
RPN



**OTHER:**  
MOBTRA  
Reserve Incentives  
GI Bill



# What Does CNRF's RPN \$\$\$ Pay For?

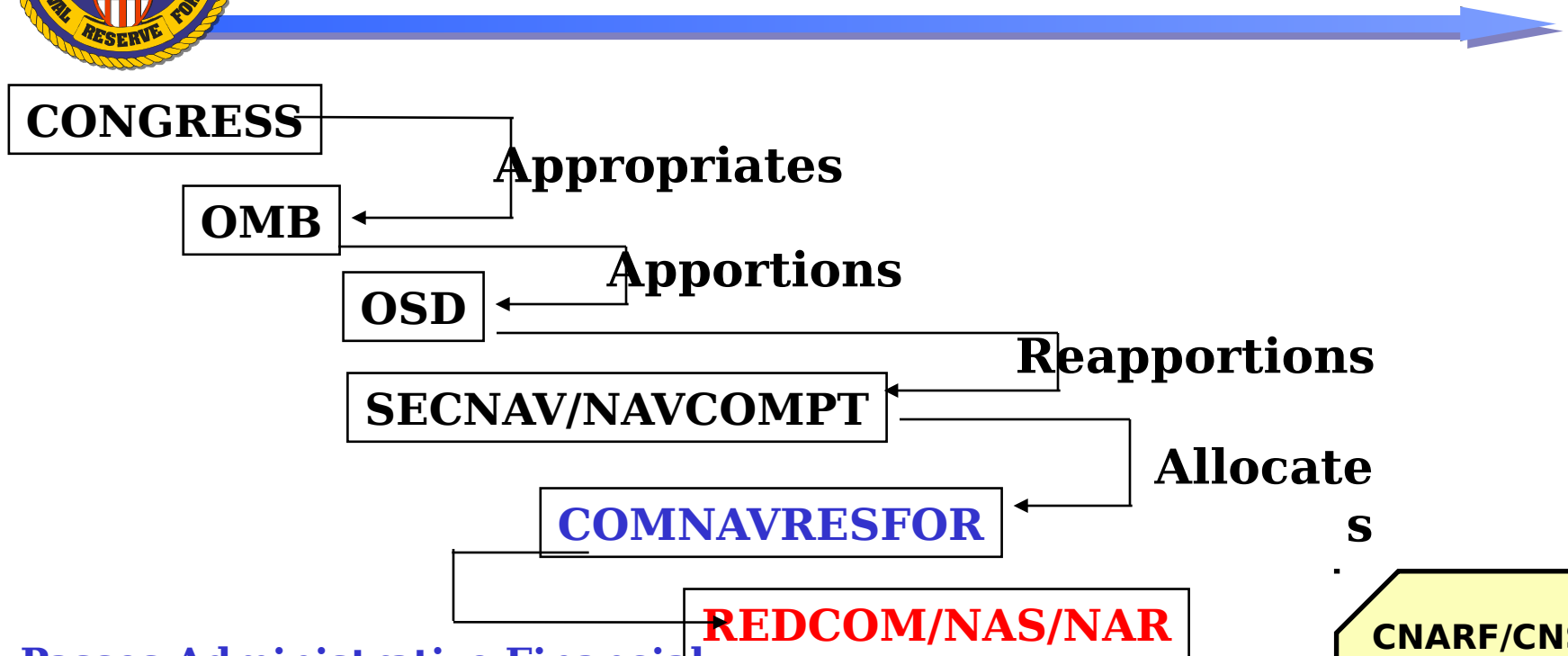
- **ENTITLEMENT PROGRAMS:**
  - **Annual Training (AT)**
    - Pay & Allowances and Travel & Per Diem**
  - **Inactive Duty Training (IDT) - Drills**  
(Regular & Addt'l)
  - **Clothing (Initial Issue, Replacement)**
  - **Subsistence (Contract Messing, Rations in Kind)**
  - **Reserve Incentive Programs**
    - Bonuses (Affiliation, Reenlistment, Anniversary)**
    - Death & Disability**
    - VA Educational Assistance**
    - Reserve Transition Benefits**
- **DISCRETIONARY PROGRAMS:**
  - **Active Duty for Training (ADT)**

**Specials Schools**





# RPN - Flow of Funds



Passes Administrative Financial Responsibility as an Operating Target (OPTAR) for the IDTT program.

CNARF/CNSR  
F  
do not  
actually  
hold any \$\$\$



# ***Funds Allocation & Management - RPN***

## **• Management**

### **- Centrally Managed Allotments**

- **Programs receive funds from COMNAVRESFOR, and**
- **Obligations are established by COMNAVRESFOR (N00F2)**
  - **IDT (Drills), Clothing, Subsistence, Death & Disability**

### **- Centrally Managed Operating Allotments**

- **COMNAVRESFOR (N00F2) holds funding**
- **Programs are managed by Echelons 3 and 4**
  - **By either Mandays or PC-based checkbook**
- **Obligations are systematically established through RESFMS/RIMS (by Standard Document Number)**
  - **AT, ADT, IDTT**



# ***AT/ADT Mandays - Allocation***

**COMNAVRESFOR**  
**Code N00F**  
**\$=Mandays**

**COMNAVRESFOR N3**  
**Allocates Mandays**  
**To Program Managers**

**COMNAVSURFRESFOR**

**CNRF**

**COMNAVAIRESFOR**

**Fleet Exercises**  
**Operational Training**  
**Mission Support**  
**Management Support**

**Flag Support**  
**N095 Programs**  
**Naval War College**  
**Naval Reserve Policy Board**  
**Fleet CINCs**



# ***IDTT - Allocation***

**COMNAVRESFOR  
Code N00F**

**Issue OPTARs  
To Echelon IV Commands**

**NASSs, NARs, REDCOMs**





# ***RPN Reimbursable Programs***

## **• Intelligence Program**

- **FY95 Appropriations Act (PL 103-335, Section 3130)**
  - **Authorized RPN to accept reimbursable orders from Military Departments, Unified/Specified Commands and Defense Agencies <DIA, NSA, ONI, AIC>**
    - **funds available from Operation & Maintenance appropriations**
    - **reimburses Reservists for Pay & Allowances and Expenses**
  - **FY97: first year RESFMS able to accept reimbursable orders**
  - **Anticipated reimbursable authority for FY 99: \$16.8M**



# ***RPN Dollars to the Field***

**Background:** Approved by the ESC in FY98 to establish several pilot programs in FY99 with the intent of full implementation across the Force in FY00 (1Oct99)

**Action Officer:** N3 Lead, N00F Assist

**Goal:** To maximize the use of RPN resources for training and the CINC requirement by managing to dollars vice mandays.

**Reason:** “A manday does not have a stabilized exchange rate.”



# *Elements of Test*

- **Give Echelon IVs a check book**
- **Give them RPN in cash**
- **Give them cost estimating tools**
- **Give them data dump from data base**
- **Hold them accountable to manage**



## ***Metrics of Test***

- **Number of actual mandays executed compared to what would have been executed at the budgeted manday rate**
- **Average amount of labor involved in executing an application**
- **Average time to process the documents**
- **Perception by the customer that they receive better results from having additional control**





*HQ  
BUDGET*



# ***HQ Budget Process***

- **Tentative Annual Planning Figures (TAPFs)**
  - issued by claimancy to OB holders April/May
  - provides control figures for OPTAR holders' planning
  
- **Annual Planning Figures (APFs)**
  - received by OB holder in October/November
  - share of the congressionally approved appropriation
  
- **Mid-Year Review**
  - February/March
  - emergent needs and shifting of funds
  
- **Unfunded**
  - submitted at TAPF/Budget and Mid-Year Review



# ***OPTARS***

## **•Travel OPTAR**

- issued to DCOS's, Special Assistants**
- consolidate and prioritize travel requirements within code**

## **•Supply OPTAR**

- managed by N4**
- consolidate and prioritize staff supply requests**

## **•IT OPTAR**

- managed by N6**
- coordinates and prioritizes hardware, software, and program development requirements for claimancy**



# ***OPTARS (cont.)***

- **Printing OPTAR**

- managed by CNRF Admin

- **Training OPTAR**

- managed by N7
- new OPTAR
  - **old way: each code submitted emergent unfunded**
  - **new way: DCOS, SA provide training plan for consolidation and prioritization**